

103^D CONGRESS
2^D SESSION

H. R. 5301

To amend the Internal Revenue Code of 1986 to deny the earned income credit to illegal aliens and to prevent fraudulent claims for the earned income credit.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 29, 1994

Mr. HAYES introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to deny the earned income credit to illegal aliens and to prevent fraudulent claims for the earned income credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Illegal Alien Credit
5 Denial Act”.

6 **SEC. 2. DENIAL OF EARNED INCOME CREDIT TO ILLEGAL**
7 **ALIENS.**

8 (a) IN GENERAL.—Paragraph (1) of section 32(c) of
9 the Internal Revenue Code of 1986 (defining eligible indi-

1 vidual) is amended by adding at the end the following new
2 subparagraph:

3 “(E) EXCEPTION FOR ILLEGAL ALIENS.—
4 The term ‘eligible individual’ does not include
5 any individual who is an illegal alien as of the
6 close of the taxable year.”

7 (b) ILLEGAL ALIEN DEFINED.—Section 32(c) of the
8 Internal Revenue Code of 1986 (relating to definitions and
9 special rules) is amended by adding at the end the follow-
10 ing new paragraph:

11 “(4) ILLEGAL ALIEN.—

12 “(A) IN GENERAL.—The term ‘illegal
13 alien’ means an individual who is not—

14 “(i) a citizen or national of the United
15 States, or

16 “(ii) an alien permanently residing in
17 the United States under color of law.

18 “(B) ALIEN PERMANENTLY RESIDING IN
19 THE UNITED STATES UNDER COLOR OF LAW.—
20 For purposes of subparagraph (A), the term
21 ‘alien permanently residing in the United States
22 under color of law’ means an alien lawfully ad-
23 mitted for permanent residence (within the
24 meaning of section 101(a)(20) of the Immigra-

tion and Nationality Act), and includes any of the following:

“(i) An alien who is admitted as a refugee under section 207 of the Immigration and Nationality Act.

“(ii) An alien who is granted asylum under section 208 of such Act.

“(iii) An alien whose deportation is withheld under section 243(h) of such Act.

“(iv) An alien who is admitted for temporary residence under section 210, 210A, or 245A of such Act.

“(v) An alien who has been paroled into the United States under section 212(d)(5) of such Act for an indefinite period or who has been granted extended voluntary departure as a member of a nationality group.

“(vi) An alien who is the spouse or unmarried child under 21 years of age of a citizen of the United States, or the parent of such a citizen if the citizen is over 21 years of age, and with respect to whom an application for adjustment to lawful permanent residence is pending.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1993.

4 **SEC. 3. VERIFICATION OF IDENTITY OF INDIVIDUALS**
5 **CLAIMING EARNED INCOME CREDIT.**

6 (a) IN GENERAL.—Section 32 of the Internal Reve-
7 nue Code of 1986 (relating to earned income credit) is
8 amended by adding at the end the following new sub-
9 section:

10 “(k) VERIFICATION OF TAXPAYER IDENTIFICATION
11 NUMBERS.—No credit shall be allowed under subsection
12 (a) to any taxpayer unless the Secretary has verified that
13 the taxpayer identification numbers of the taxpayer and
14 any qualifying children set forth on the return claiming
15 the credit are valid.”

16 (b) EXPEDITED PROCEDURES.—The Secretary of the
17 Treasury and the Secretary of Health and Human Serv-
18 ices shall establish procedures under which—

19 (1) the taxpayer identification numbers of indi-
20 viduals claiming the earned income credit under sec-
21 tion 32 of the Internal Revenue Code of 1986 are
22 verified, and

23 (2) the issuance of taxpayer identification num-
24 bers to individuals claiming such credit and entitled
25 to such numbers is expedited.

1 (c) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to taxable years beginning after
3 December 31, 1994.

